



13 March 1956

MEMORANDUM FOR: Special Assistant to the Director for  
Planning and Coordination

SUBJECT : Report of Discussions with Pilots

25X1A9A 1. At the request of your Office, Mr. Houston selected me to visit the site and deal with the pilots in an effort to determine precisely their problems and requests for adjustments and to assist them in whatever way possible. Prior to my departure, I discussed the contract with the pilots with members of your staff including [redacted] believed that if at all possible the Agency should adhere to the basic concepts in the contract although he agreed that if necessary they could be adjusted somewhat along the lines of the suggestions contained in my memorandum to the Director of Administration, PCS/DCI, 2 March 1956.

25X1A9A 2. I arrived at the site on 8 March and stayed there until Saturday afternoon, 10 March. Initially I had considerable discussion with [redacted] and eventually met with the pilots as a group late on 8 March. I later met with some of the pilots individually and we again met as a group on 10 March. No one was present at these meetings except [redacted].

25X1A9A 3. At our first meeting it was clear from the first that the pilots were extremely upset and believed that many promises made to them had not been kept. In addition, they outlined many irritating factors which they believed served no useful purpose but did make things difficult for them personally. Their specific points can be roughly categorized as follows:

a. They had been led to believe that they would have more opportunity for flying and were specifically interested in getting time in the T-33. I explained to them that this was a matter completely outside my province and I would not even attempt to pursue the subject at Headquarters.

b. In the field of recreation it was indicated many promises had been made relating to the possible beach house or other facilities. In fact there was some question about transportation. The pilots were told that I would try to get for them some general answer on this problem but that probably the answer could not be specific although it was indicated it might be possible to give [redacted] some authority in this regard.

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c. The restriction of going only to [ ] for recreation was considered by them to be extremely onerous and not to serve any useful purpose.

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d. They had been promised that drivers' licenses would be secured for them so they could rent cars on their time off.

e. They were extremely concerned with the fact that they were going around under false identities. They indicated they were likely to run into friends at any time and certainly if they were to visit with relatives the identity problem did not make sense to them. In fact one of the men, [ ] has no identity card whatsoever.

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f. Another extremely irritating thing to them personally was the mail situation. They were not only concerned with the lag but they were deeply resentful of the censorship of both incoming and outgoing mail particularly since no other members of the detachment were subjected to such an indignity.

g. They indicated considerable irritation at the lack of timely receipt of pay. In reviewing this item with both members of the detachment and the Headquarters group at the site, there appeared to be no real reason why funds could not be forwarded to the site and payments made on the spot to the men. They were anxious to learn some of the conditions that would exist when they were deployed. In fact they were concerned with whether or not they would be receiving any leave before deployment. They wished to know whether at the deployment site whether they would have PX privileges and whether or not the identity restrictions would continue. Further, they wished to know the general lines of their commanding officer's authority concerning both these matters and other matters generally when they reached their deployment site.

h. They were particularly concerned with the possibilities of escape and evasion if they were to go down. For example one man said that he was under the impression that the Government would not acknowledge him and, therefore, he was wondering if he were able to make his way to a U. S. embassy whether he would be barred from admittance. I attempted to reassure them on this point generally that certainly the organization was giving considerable thought to the subject of escape and evasion and I was sure they would be briefed specifically and in great detail on this. They were further told I would not attempt to secure any answers on this subject as it lay well without my field.

i. One of the individuals raised the question of his Air Force promotion since apparently he had been due to receive it within the next month or so. He appeared to be under the general impression that if he reentered the Air Force at a later date his promotion could be handled on a retroactive basis. He was advised that this would appear to depend on Air Force commitments and ability to make good although I would attempt to secure some information for them on this.

j. They were all concerned with the termination clause in the contract. Apparently they have been led to believe that there would probably be some sort of cooling off period of some six months in the event the activities contemplated in the project were discontinued. They were also concerned with what type of duty status they might then be under. They were advised that this clause could be rewritten to clarify these points. However, this is a matter that should be discussed here at Headquarters since I am not aware of any of the arrangements or intentions in this regard.

k. The clause "termination for cause" gave all of the individuals considerable concern. It was explained that this was a word of art in governmental usage and various factual situations were explored. They were specifically advised that an individual simply walking off the job and quitting would result in termination for cause. It is believed that some adjustment in wording here would be of assistance although I believe at this point they are reasonably satisfied.

l. The principal difficulty in the contract, of course, relates to paragraph 4 and the matter of the \$1,000.00 monthly bonus to be paid upon termination of the contract. Their recent memorandum signed by all pilots in effect requested that this bonus be changed in concept to represent additional flight pay for hazardous duty and be accrued to them monthly although not actually paid until the end of the contract period. In discussion of this situation I first learned, as did [redacted] 25X1A9A, that these men were considered on operational duty status and drawing their \$1,500.00 per month from their date of arrival at the test site. Very logically then they argued that they should have additional pay when actually engaged in operational missions. The fact that the contract provides for the bonus in their minds is not equivalent to additional pay since it is only a contingent right. They further expressed considerable resentment at the basic concept of holding a financial plum over their heads to get from them satisfactory completion of the term of the contract. In fact one of the individuals firmly, but politely, indicated that unless there were some adjustment on this point in the contract he would not continue. At the end of the first session no progress had been made on this point. Subsequently there were individual sessions and finally the pilots themselves requested a further meeting. Prior to this I had suggested to two of the men that

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it would be in their interests if some sort of an agreement could be reached for me to take back to Headquarters.

A possible compromise was then suggested at this last meeting. The specific terms would include monthly accrual of an additional sum of \$500.00 a month from date of arrival at the deployment site. Such amount would not be subject to divesting and to be paid on 1 January of the year following performance of duty. (As a further inducement here there would be an option on the part of the individual to have U. S. Government bonds purchased for him monthly as the amounts accrued with delivery delayed until the 1 January date.) The remainder of the present \$1,000.00 per month bonus could be treated exactly as presently provided for with an additional provision that the Government in its discretion could pay the amount upon completion of the contract or pay it in installments over a period not to exceed 3 years. This proviso is solely to give tax benefits to the individuals and at time of termination the actual spread of payments could be negotiated.}

m. There was raised by the pilots a serious objection to the fact that the contract does not indicate that the Government is a party. I indicated to them and I see no reason why the name of the Agency cannot be inserted since they are fully aware that the Agency is involved.

4. In addition to the other matters, I explained to the men their coverage and various insurance arrangements and explained in detail the exact nature of their coverage. They were assured they would see actual copies of these policies prior to their departure from the States. It was further indicated to the men that we would assist them on tax matters, both Federal and State and with other personal legal matters such as powers of attorney and wills. The details of the taxes to the extent discussed are contained in a separate memorandum. There was one qualification on the agreement of the men to the revised bonus clause and that was that the DCI at least consider their original request. Since the DCI had approved the original arrangements in amounts and concept they <sup>were advised</sup> indicated he would have to approve this new arrangement and this request would be brought to his attention. I might point out that [redacted] while wishing to retain the original bonus provision on the basis of the arguments presented and all of the circumstances, does recommend this proposed revision. As a lawyer attempting to deal objectively with the two sides of the controversy, I believe that the proposed provisions are reasonable compromise on both sides.

5. Since we had not finalized the contract we were not able to work up declarations of estimated tax which are due on 15 April of this year. The men were assured they would get assistance on this. They were also assured on the specific items listed above (except as indicated) that I would secure answers for them whether the answers were ones they

agreed with or not). I further assured them that if we got an early approval of the new bonus provisions they would learn of this by TWX. As matters now stand, I will be leaving for Spokane, Washington, on Thursday, the 15 of March and I would like to suggest that as many of these matters that are listed above be discussed, resolved, and answers ready including revised contracts and I could then take them with me and visit the site on possibly Saturday, the 17 of March to get the new contracts signed and resolve as many of the other matters as possible. From the knowledge I have gained of the problem with these individuals, I believe that this type of prompt action would be a tremendous boost in their morale. I might add slightly on the personal side that most of these men came up to me after the final meeting and expressed the view that I was the first person who had talked to them on a factual basis and on a man-to-man basis. In fact it was clear they felt they were being treated in some respects like children.

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Deputy General Counsel